

Addendum to Agenda Part A

May 18, 2005 Hearing

Department Budget for Discussion.

0855 Gambling Control Commission

Local Mitigation of Gaming

Pursuant to the compacts, the monies in the Special Distribution Fund (SDF) are subject to legislative appropriation for the following statewide purposes:

- Reimbursement for state regulatory costs associated with implementation of the compacts.
- Payment of shortfalls that may occur in the Revenue Sharing Trust Fund.
- Grants for gambling addiction programs.
- Grants to state and local agencies affected by tribal government gaming.
- Any other purpose specified by the Legislature.

The budget proposes the following expenditures:

- \$20.7 million from the SDF for the state regulatory costs at DOJ and the GCC.
- Transfer of \$50.5 million to the Revenue Sharing Trust Fund
- \$3 million for gambling addiction programs.
- \$30 million for local mitigation of gaming.

The Gambling Control Commission has indicated that the amount currently appropriated for transfer to the Revenue Sharing Trust Fund (\$50.5 million) is the amount needed to cover the shortfall in that fund. The fund condition statement for the Special Distribution Fund in January assumed that the reserve at the end of the budget year would be \$88.7 million.

Staff Recommendation. Staff recommends augmenting the amount appropriated for local mitigation of gaming by \$20 million on a one-time basis. Pursuant to statute, any funds not expended within the budget year for mitigation would revert back to the Special Distribution Fund.

Action